

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. GENERAL INFORMATION

1. Report Time Period: From (mo./yr.) JAN 88 To (mo./yr.) DEC 88
2. DOGM File Number (original notice): ACT/021 / 001 (M-21-1)
3. Mine Name: UTAH INTERNATIONAL CEDAR CITY OPERATION
4. Mineral(s) Mined: IRON ORE
5. Name of Operator or Company: UTAH INTERNATIONAL INC.
6. Permanent Address: BHP - UTAH INTERNATIONAL INC.
550 CALIFORNIA ST.
SAN FRANCISCO CAL. 94104
7. Company Representative (or designated operator):
Name: YORK F JONES
Title: ACTING MINE MANAGER
Address: 228 S 800W CEDAR CITY UT.
Phone: 801-586-8601

☐ Please check if any of the above information has changed since previous year.

II. MINING AND RECLAMATION

1. Was the mine active during the past year? Yes ☐ No ☒
2. If active, how much ore or mineral was mined?

3. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, volume of material moved, and the acreage affected.

NONE

4. Briefly describe the reclamation work performed during the past year. This description should include acreage reclaimed, methods employed, and an evaluation of the results.

NONE

5. What was the total unreclaimed acreage at years end? 14+45+36=95AC.

6. Briefly summarize mining and reclamation planned for the upcoming year.

NOTE: ATT. MEMO DATED 3/15/89

NO MINING IS PLANNED FOR 1989.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. ADDITIONAL INFORMATION

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. SIGNATURE REQUIREMENT

I hereby certify that the foregoing is true and correct.

Signature of Operator: _____

Name (Typed or Print): _____

Title of Operator: _____

Date: _____



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 19, 1986

Mr. York F. Jones
Utah International Inc.
Cedar City Operations
228 South 800 West
Cedar City, Utah 84720

Dear Mr. Jones:

Re: Request for Reclamation Variances, Utah International
Incorporated, Cedar City Iron Mine Operations, ACT/021/001,
Iron County, Utah

The Division has completed the review of Utah International Incorporated requests (dated May 23, 1986 and June 11, 1986) for a reclamation variance and to delete the Comstock-Iron Springs Road and the Blackbird-Irene Road from the Iron Springs Permit. Division biologist, Lynn Kunzler has performed an indepth review of the correspondence which has transpired to date. He has prepared a technical memo summarizing the results of his findings and has made recommendations based upon the same.

We have received a copy of a letter from the Bureau of Land Management dated July 30, 1986 which releases UII from further maintenance responsibilities on the Blue Bird Road. This letter, combined with the documentation provided to date by UII is deemed adequate to grant a variance releasing UII from further reclamation responsibility for the Comstock-Iron Springs Road and the Blackbirk-Irene Road. Both roads will now be deleted from the permit area.

Conceptually, the Division is prepared to approve of the entire request. However, the following information is still necessary before the overall request can be approved:

Iron Springs Mill/Plant complex & Coarse Tails Pile

Utah International Inc. (UII), states that the Iron Springs Mill and Plant complex (45 acres) is being dismantled and the stockpiled iron ore has now been shipped. The area will eventually become an industrial plant site utilizing the remaining buildings, railroad siding, and office complex.

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Mr. York Jones
ACT/021/001
August 19, 1986

The coarse tails pile (14 acres) at the Iron Springs mill site is still being used commercially and will become part of UII's industrial plant site.

The Comstock Plant and railroad site (36 acres) are being used by U.S. Steel to ship iron ore, and will remain for some time.

Title 40-8-21 Temporary Suspension or Termination of Operations

1. With regards to the Comstock site, it may be more appropriate for UII to transfer the permit to U. S. Steel and thus the reclamation responsibility. A signed transfer agreement between UII and U. S. Steel in this matter would be acceptable to the Division.
2. UII must provide the Division with accurate written documentation that supports the proposed alternate land use(s) viability and that the proposal is likely to take place within a reasonable amount of time.

This could include a written commitment and proposed schedule to build and/or utilize the industrial complex from the responsible entity(ies). The written commitment should also identify the responsible party(ies) who will assume all further liability for continued use and maintenance of the site(s).

3. UII must upgrade the site(s) to a sound, stable configuration suitable for the postmining land use prior to release by the Division.

It is the Division's understanding that Iron County is utilizing the coarse tails pile for road base/fill material on a continuing basis.

4. UII must provide a written request from Iron County and/or other interested parties that the waste rock stockpiled in this area will continue to be used as a source for these materials. The request must also identify who will assume liability for continued use should UII be released from further reclamation responsibility.

Upon receipt of the remaining information, the Division will prepare a final decision on the request of variance. Our apologies for the unexpected delay in responding to your request. Please call me, Wayne Hedberg or Lynn Kunzler should you have any questions or concerns.

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Mr. York Jones
ACT/021/001
August 19, 1986

We appreciate your cooperation in completing this permitting action.

Sincerely,



L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

DWH:jvb
cc: S. Hansen, BLM
K. May
L. Kunzler
S. Linner
8992R

UTAH INTERNATIONAL INC.

CEDAR CITY OPERATIONS

POST OFFICE BOX 649 • CEDAR CITY, UTAH 84720
(801) 586-6503



IRON SPRINGS INDUSTRIAL SITE

Railroad siding on the right of picture.

This was the old Iron Springs mill and Plant location which has been totally dismantled. U.P. & L. has it under lease now as a lay-down area.

The Pepcon Rocket-Fuel (Ammonium Perchlorate) complex (4,800 acres) is located west of here about 5 miles. (Top center of photo)

UTAH POWER & LIGHT COMPANY

ROBERT M. WHITEHEAD
MGR. LANDS &
AD VALOREM TAXES
220-4080

C. JOSEPH LYON
SUPERVISOR, AD VALOREM TAXES
220-4087

MICHAEL D. ERICKSON
SUPERVISOR, RIGHT OF WAY
220-4086

CAROL J. KOEHLER
SUPERVISOR, RIGHT OF WAY
220-4089

KAREN G. MATTHEWS
SUPERVISOR, LEASES
220-4029

SUITE B-115
1849 WEST NORTH TEMPLE
SALT LAKE CITY, UTAH 84116

BURTON D. MAXFIELD
RIGHT OF WAY REPRESENTATIVE
220-4082

MARK G. WHITLOCK
RIGHT OF WAY REPRESENTATIVE
220-4083

BRET C. MORGAN
RESIDENTIAL PROPERTY SPECIALIST
220-4084

SCOTT M. CHILD
LAND STATUS ANALYST
220-4085

May 11, 1988

QC DCH
ROAD with check
YRW to D.L.
5/13

Mr. John T. Atkins
Vice President
B.H.P. - UTAH INTERNATIONAL, INC.
P. O. Box 155
Fruitland, New Mexico 87416

RE: Lease #L-750

Dear Mr. Atkins:

Attached is a fully executed Lease Agreement between B.H.P. - Utah International, Inc. as Lessor and Utah Power & Light Company as Lessee, along with Sight Draft Number C 1235 in the amount of Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00) for the first year rental. This Agreement is transmitted to you for your files.

If you have any questions regarding the Lease or any problems, please call me at the above number.

Very truly yours,

Mark G. Whitlock
Mark G. Whitlock
Right of Way Representative

MGW:lh
FORMS/B
attachments



WILLIAM L. PATTERSON
Manager of Region Operations
Salt Lake Region

Utah Power & Light Company
40 East 1st South



Bus. (801) 220-4000

MARK G. WHITLOCK
RIGHT-OF-WAY REPRESENTATIVE
LANDS & AD VALOREM TAXES

UTAH POWER & LIGHT CO.
1849 West North Temple, Suite B-115 / Salt Lake City, Utah 84116

COMMISSIONERS -
Dee G. Cowan
James C. (Jim) Robinson
Gene E. Roundy
CLERK - David I. Yardley
TREASURER - Merna H. Mitchell
ASSESSOR - Dennis W. Ayers
RECORDER - Cora J. Hulet
SHERIFF - Ira Schoppman
ATTORNEY - Scott M. Burns
AUDITOR - Dennis A. Lowder



IRON COUNTY

68 South 100 East • Parowan, Utah 84761 • (801) 477-3375 • (801) 586-9974

March 8, 1989

MR. YORK JONES
228 South 800 West
Cedar City, UT 84720

Dear York:

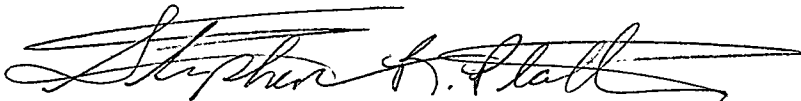
You requested a memo regarding the use of the coarse mine tailings at Iron Springs.

The County has used this material for roads, and with the anticipated new road to Pepcon we would like to continue doing this. The crushed rock makes excellent surfacing, and with such a large stockpile on hand, there will be a good supply for years to come.

Many developers have used the tailings on new subdivision roads. Iron County's own road forces use this material frequently in their regular maintenance efforts.

We appreciate the use of this valuable source of material and the reasonable price that you charge.

Respectfully,



Stephen R. Platt, P.E. & L.S.
Iron County Engineer/Surveyor

550 California Street
San Francisco, California 94104
(415) 981-1515

July 18, 1988

Mr. E. B. Patten
Geneva Steel
P. O. Box 2500
Provo, UT 84603

"BASIC MANUFACTURING
& TECHNOLOGIES OF UTAH"



BHP-UTAH
Minerals International

cc. to JORN

Dear Mr. Patten:

We are enclosing a revised agreement of Purchase and Sale for our Comstock property. ✓

The enclosed agreement incorporates the revisions contained in your draft of June 29, 1988. In addition, we have made some additional revisions and deletions, the principal ones being the following:

1. Buyer's entitlement if Buyer's conditions of closing are not satisfied or waived is not to close. We've eliminated the right of Buyer to recover costs, attorneys' fees, etc., if Buyer elects not to close (Paragraph 3.2).
2. We have provided that Buyer is to take title subject to matters of record and matters which are not of record if they do not materially affect the use and occupancy of the property (5.2.1, 6.1.5 and Exhibit B).
3. Seller's representations and warranties have been revised (6.1). As to hazardous waste, we are willing to represent only that to our knowledge the property is not in violation of any hazardous waste law, etc., in effect as of signing and if that representation is untrue Seller's monetary liability is limited to the amount of the purchase price.

Our Tax Department is reviewing the Non-foreign Affidavit and may suggest some revisions consistent with the fact that our parent is an Australian corporation.

Let us know if you are interested in purchasing the property on the basis of the enclosed.

Sincerely,

R. D. Wunder
Manager of Purchasing
International Division

Enclosure

RDW/ed

CLOSING SHOULD
BE THIS MO. (3/89)
Don
ydw

U

makes such representations, warranties, covenants and guarantees which were and are a material inducement to Buyer to enter into this Agreement, and Buyer would not have entered into this Agreement except in reliance thereon. Buyer and its officers and directors, and their respective successors, assigns and legal representatives will be entitled to rely upon and enforce such representations, warranties, covenants and guarantees notwithstanding any inspection and investigation made by such persons or any representative of such persons or any suspicion or knowledge to the contrary.

6.3 Survival of Representations and Warranties. The representation contained in Paragraph 6.1.3 shall survive the Closing forever. If at any time after the Closing Date such representation proves to be incorrect as of the date hereof or as of the Closing Date, and should Seller be unwilling or unable to correct the condition giving rise thereto within thirty (30) days after written notice thereof given by Buyer to Seller, Buyer may rescind the purchase of the Property, receive a complete refund from Seller of all monies paid by Buyer to Seller in connection herewith, including, without limitation, the Purchase Price or (b) receive from Seller reimbursement in full for all claims, losses, damages, costs and expenses, including attorneys' fees and costs, incurred by Buyer and resulting from the incorrectness of such representation; provided however, that in no event shall Seller's liability to Buyer hereunder exceed \$325,000.00.

7. MISCELLANEOUS

7.1 Damage or Condemnation. If the Property is damaged prior to the Closing Date, Seller shall have the right to repair the Property, provided that such damage can be and is repaired within thirty (30) days after the date such damage occurs. If Seller elects to repair the Property, Seller shall notify Buyer in writing of its intent to do so within five (5) days after the date such damage occurs. If Seller fails to so notify Buyer within such five (5) day period, Seller shall be deemed to have elected not to repair such damage. In the event Seller elects to repair such damage, the Closing Date shall be extended until the fifth (5th) day after Seller gives Buyer written notice of the completion by Seller of the repair of such damage. In the event Seller elects or is deemed to have elected not to repair such damage, if such repair is not completed within thirty (30) days after the date such damage occurs, or if the Property or any part thereof is taken by condemnation prior to the Closing Date, Buyer shall have the right to reject the Property and, on written demand by Buyer to Seller, this Agreement shall be terminated and neither Seller nor Buyer shall thereafter have any obligation to each other. In the alternative, Buyer may elect to complete the transaction on the terms set forth in this Agreement and, in such event, Buyer shall receive an assignment of such insurance proceeds or condemnation proceeds, as the case may be, as are allocable to the restoration of the damaged Property or to the portion of the Property taken. The Closing Date shall be extended during the periods of any notices given or repairs made in accordance with the foregoing provisions of this Paragraph 7.1.

7.2 Reclamation. As of the Closing, Buyer shall (a) assume all reclamation obligations and duties as are imposed by law from time to time with respect to the Land; (b) save Seller harmless from and indemnify Seller against any claim or liability for such reclamation obligations and duties; and (c) independently bond against such reclamation obligations and duties and otherwise reasonably cooperate with Seller to the end that Seller may secure the release of Seller's reclamation bond with respect to the Land.

DOGM
MINERALS PROGRAM
FILE COPY

M/021/001

UTAH INTERNATIONAL INC.

CEDAR CITY OPERATIONS

March

15, 1989

POST OFFICE BOX 649 • CEDAR CITY, UTAH 84720
(801) 586-6503

RECEIVED
MAR 20 1989

DIVISION OF
OIL, GAS & MINING

Lowell P. Braxton
Mineral Resource Development and Reclamation Program
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Dear Sir:

Attached you will find the Annual Report of Mining Operations. Utah International's operation at Cedar City is on a suspension or a termination situation, and we did not do any mining during 1988.

As a follow up to your memo dated August 29, 1986 (cc att.), the following is addressed:

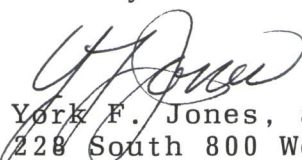
1. Attached is a letter from Iron County on use of the crushed rock at Iron Springs. This area is listed on our reclamation as "coarse tails", area covering 14 acres.

2. Attached is a copy of the cover letter to a U.P. & L. lease--contract for the use of the Iron Springs plant site. The old plant and mill complex is now totally dismantled and the area is surfaced with crushed stone. This is the only railroad siding between Cedar City and Lund, Utah. This is the area we want to retain as an industrial site and is labeled "Iron Springs Plant and office site"--45 acres.

3. Attached is a copy of part of the sale contract for the Comstock Plant site to Geneva Steel. This sale includes patented and unpatented claims in this area, as well as the railroad and plant site. The Comstock is listed on our reclamation plan for 36 acres.

We request a variance to our reclamation plan in the above three areas, thus releasing us from further reclamation.

Thank you.


York F. Jones, acting Manager
228 South 800 West
Cedar City, Utah 84720

cc to J. T. Atkins